

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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1. The third of the compulsory national loans, recently issued, has compelled the population to subscribe in the amount of about 470 million leks. This last loan in particular has caused much hardship, since as a result, further withholdings from the already ridiculously low wages and salaries were required. This happened at a time when the cost of living was rising which added to the hardship. As a result, the economic situation remains very serious if not tragic.
 2. The shortage of foodstuffs and consumer's goods has been particularly noticeable. The food situation has become so difficult that even leeks have now been placed on the ration list. Because of the poor quality, the bread is almost impossible to eat. Meat has almost disappeared completely from the market and the price of apples is now 150 leks per kilogram.
 3. In order to meet the serious food situation, the Council of Ministers adopted a new land classification system. This provides that every farmer must surrender to the State produce of a quantity and quality which is fixed by an appropriate commission. Further measures also include large drainage projects such as the one near Korce in the Terbufit swamp, and canalization projects such as the Vijose-Fier Canal as well as many other similar attempts to reclaim arable land. These projects are done mainly with forced labor. In addition the collective farms, which now number 112 with a total of more than 6,100 families, are being further developed.

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-2-

4. Many projects are also underway in the industrial field. A natural bitumen processing plant has been constructed at Selenice. An oil refinery which has been under construction at Patos has been completed and work continues at the other petroleum centers. All other projects under way in the industrial field are going ahead at full speed in an attempt to complete them according to plan. This includes mechanization of the mines, installation of various types of factory equipment, construction of power lines, and installation of turbines at the various hydroelectric projects.
5. Formerly much of the industrial equipment imported into the country was furnished without payment. Now, however, the present international situation and increased commitments among the satellites have forced the Communist countries to take more stringent measures which require at least partial payment for the equipment.

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